

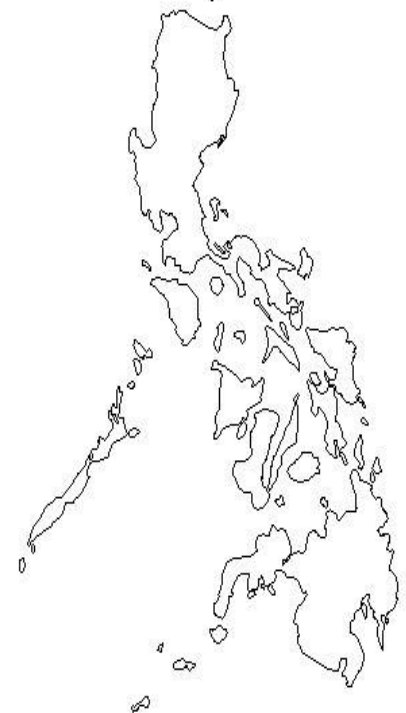
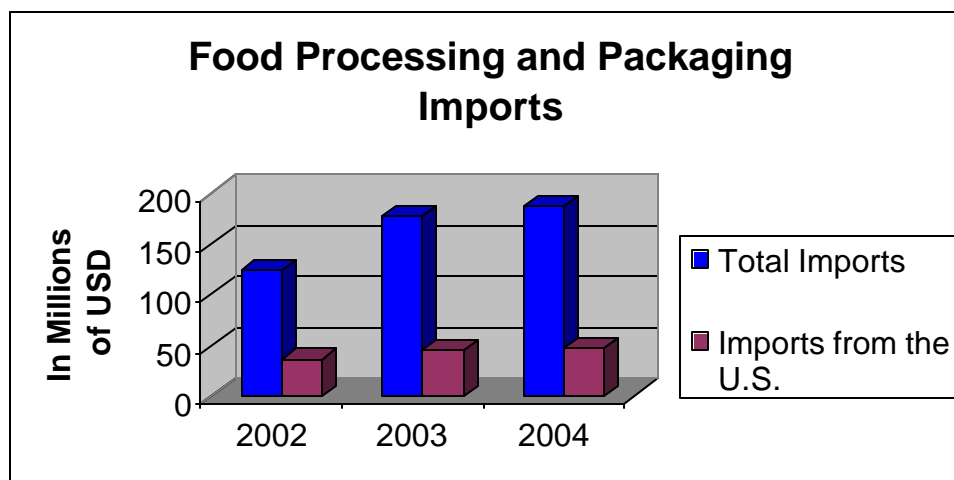


Food Processing and Packaging

Philippines

Market Overview

- ▶ Food processing and packaging equipment imports grew by **43.5%** to **US\$178 million** in 2003.
- ▶ **Urban expansion** and **middle class growth** due to women entering the workforce is driving demand for consumer-ready food products.
- ▶ Biggest opportunities are in the **meat, fish, fruit, dairy, beverage, snack foods and bakery** sectors.
- ▶ **200 major food processors** are expected to expand operations, as are 20,000 cottage, small and medium-sized enterprises.



Competition

- ▶ Industry players expect the supply market to grow by **10% in the coming year**.
- ▶ In 2003 U.S. firms represented roughly **26% of the import market** followed by Germany 18%, Italy 11%, Japan 7%, China 5%, and Singapore 5%.
- ▶ Solid market share numbers on **local production** are non-existent, but are estimated at **less than 15%** of the market.

Best Prospects

- ▶ Population growth will continue to drive demand for processed and **consumer-ready food products and the equipment** used to process such products.
- ▶ **Tetra packaging** – The trend to package food products in smaller, more affordable sizes will accelerate as food becomes relatively more expensive for a poor population.
- ▶ Food processing sub-sectors **offering the best sales opportunities for U.S. suppliers** include:
 - ✓ Food and beverage dryers/dehydrators
 - ✓ Industrial- strength microwave ovens for cooking and heating
 - ✓ Beverage aerating machines
 - ✓ Bakery machinery and machinery for manufacturing macaroni, spaghetti and other pastas
 - ✓ Snack food processing equipment.
- ▶ In the **packaging area**, best prospects include:
 - ✓ Can sealing machines
 - ✓ Packing and wrapping machinery such as shrink wrappers, carton erectors, and wrap-around case packers;
 - ✓ Machinery for filling, closing, sealing, and labeling.



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